

# Affordable Housing Committee (2021) on 2022-08-18 1:30 PM

Meeting Time: 08-18-22 13:30

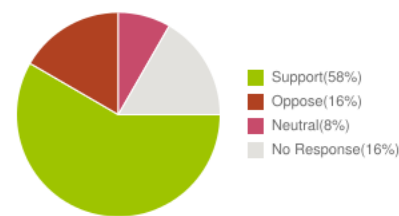
## eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Affordable Housing Committee (2021) on 2022-08-18 1:30 PM	08-18-22 13:30	5	12	7	2	1

### Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

#### Overall Sentiment



## Affordable Housing Committee (2021) on 2022-08-18 1:30 PM

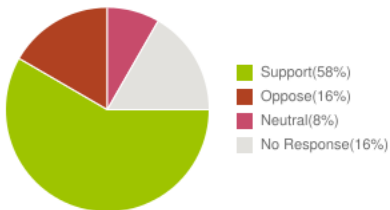
08-18-22 13:30

Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	4	2	1	1
AH-14(6) Direct Referral COMPREHENSIVE AFFORDABLE HOUSING PLAN: AFFORDABLE SALES PRICE GUIDELINES (AH-14(6))	2	1	0	0
AH-4(5) Rule 7B PRESENTATIONS ON MANAGED APPRECIATION (AH-4(5))	2	1	1	0
AH-31 BILL 103 (2022) BILL 103 (2022), RELATING TO RESIDENTIAL WORKFORCE HOUSING DEED RESTRICTIONS AND RESALE (AH-31)	3	2	0	0
AH-14(7) Direct Referral COMPREHENSIVE AFFORDABLE HOUSING PLAN: EXPANDING AFFORDABLE HOUSING FUNDING (AH-14(7))	1	1	0	0

### Sentiments for All Agenda Items

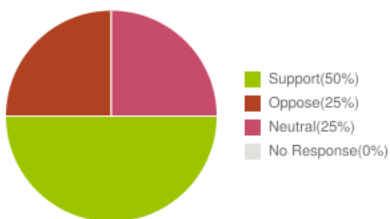
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#### Overall Sentiment



#### Agenda Item: eComments for A G E N D A

#### Overall Sentiment



### Guest User

Location:

Submitted At: 7:03am 08-18-22

My name is Stan Franco and I speak for myself. Bill 107 has been discussed over and over again. Let us approve this version and let us try it. If there are problems in the implementation, changes can be made. We do not have time on our side to have endless discussions on these bills. Remember are goal is to build 5000 homes in 5

years. We have only 4 years to go on our goal and homes have not been developed for those earning from 0% to 120% of Area Medium Income (our target population per the Comprehensive Affordable Housing Plan). Imua!

**Guest User**

Location:

Submitted At: 6:53pm 08-17-22

AFFORDABLE HOUSING COMMITTEE Thursday August 18 2022, 1:30 p.m.

Testimony in support of AH-14(6), AH-4(5), AH31 Bill 103, AH14(7).

Good afternoon affordable housing committee members, My name is David Dorn and I am here to testify in support of these affordable housing guideline improvements.

These measures before you today will greatly improve the neediest family's chances of achieving home-ownership. These measures help make affordable housing prices tied to wages and not to market values. And will give the truly needy Maui families the chance to own a home in our over-inflated housing market. These measures also create a fair system that will help more people actually achieve home ownership. Supporting home ownership is essential for keeping our long-time residents here in the islands, and will help to reduce one of the most fundamental economic pressures that force many families to move to the mainland.

I support Bill 103 relating to Workforce housing deed restrictions and resale because this is one of the most critical steps that we can take. These deed restrictions will allow us to build up our inventory of affordable homes. So we can make enough affordable homes available for all those who need them. This also helps us to direct our affordable homes into the hands of those who truly need housing and intend to live in it long-term. It might also dissuade the people motivated by investing and flipping these homes, which has been the problem with affordable housing until now. Creating these "affordable-in-perpetuity" deed restrictions also gives our community a greater incentive to invest in these programs because we will realize the benefits long-term.

I also support expanding the use of the affordable housing fund so that it can be better utilized in flexible and creative ways to better incentivize workforce home-building and home-buying in more types of situations.

I believe that supporting these Affordable Housing measures is one of the best ways that we can support our community in a lasting and meaningful way.

Mahalo,

David Dorn

**Guest User**

Location:

Submitted At: 5:42am 08-17-22

Council members my name is Brian Kakihara. I am a 4th generation and life long resident of Maui. The 31% of income housing payment cost cap in the Bill 107 caps the sales price of an affordable home without regard to the cost of building the home or increasing supply. If the Council wants to be able to have affordable homes built under the guidelines of Bill 107 the Council has the responsibility and obligation to the people of Maui County to create the entitled low-cost land the infrastructure – water, sewer, roads etc. to increase the supply and reduce costs of affordable homes under the guidelines of Bill 107. By increasing the supply and reducing the costs of building affordable homes Deferred Mortgage Payment loans, Home Builder grants/subsidies etc that are being suggested would not be necessary. The Council has the authority in County Government to create the necessary entitled low-cost land and infrastructure to make the homes under Bill 107's guidelines a reality. When there is low cost entitled land and infrastructure available affordable housing can be built. A great example is Spencer Homes Waikapu Gardens projects. Making more affordable housing is possible under Bill 107's guidelines if the Council creates the entitled low-cost land and infrastructure to increase supply and reduce the cost of building more affordable housing.

Thank you for your consideration of my testimony.

### Guest User

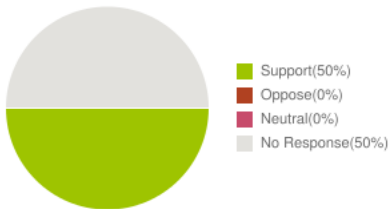
Location:

Submitted At: 7:13pm 08-16-22

How will u address the Waiehu Beach road traffic with the affordable housing on Kahekili highway?

Agenda Item: eComments for AH-14(6) Direct Referral COMPREHENSIVE AFFORDABLE HOUSING PLAN: AFFORDABLE SALES PRICE GUIDELINES (AH-14(6))

### Overall Sentiment



### Pamela Tumpap

Location:

Submitted At: 3:40pm 08-18-22

Please see attached written testimony.

### Guest User

Location:

Submitted At: 9:03am 08-18-22

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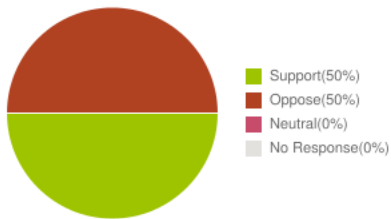
I also support expanding the use of the affordable housing fund so that it can be better utilized in flexible and creative ways to better incentivize workforce home-building and home-buying in more types of situations.

I believe that supporting these Affordable Housing measures is one of the best ways that we can support our community in a lasting and meaningful way.

Mahalo,

Agenda Item: eComments for AH-4(5) Rule 7B PRESENTATIONS ON MANAGED APPRECIATION (AH-4(5))

Overall Sentiment



**Guest User**

Location:

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Mahalo,

David Dorn

**Kathren Rosales**

Location:

Submitted At: 11:11am 08-16-22

The changes made in this bill are good but not strong enough to KEEP the deed-restricted property TRULY AFFORDABLE in perpetuity. This bill needs a few more stipulations:

1. some type of formula placed tied to the Maui Counties' medium income level. For example: the resale price is set for future sales by original purchase of affordable housing. There should be deed restrictions that prescribe a formula that sets a ceiling on the subsequent sales price of the home. This formula will balance the goals of building wealth for the homeowner and maintaining affordability for future homebuyers. For example, the resale formula may be tied to changes in the area median income such as: the price might be set at the original

purchase price plus an increment reflecting the increase in the area median income during the owner's tenure. For example, if the homeowners purchased the home for \$200,000 and the area median income increased by 15 percent during the owner's residence in the home, the maximum sales price would be \$230,000. This approach ensures that, once the home is made affordable, the home remains generally affordable to households based on that same income standard in the future, unless interest rates change.

a. An alternative formula could limit the percentage of any appreciation in the market value of comparable homes which the owner can realize, requiring the homeowner to sell the home for no more than the original purchase price plus a specified percentage of the appreciation, such as 25 percent.

2. Further suggested language of the bill to protect the subject affordable home to include:

A. The property may be conveyed only to a household who has been approved in advance and in writing by the administrative agent appointed under the Regulations (hereinafter, the "Administrative Agent").

B. No sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent, and no sale shall be for a consideration greater than maximum permitted price ("Maximum Resale Price", or "MRP") as determined by the Administrative Agent.

C. No refinancing, equity loan, secured letter of credit, or any other mortgage obligation or other debt (collectively, "Debt") secured by the Property, may be incurred except as approved in advance and in writing by the Administrative Agent. At no time shall the Administrative Agent approve any such Debt, if incurring the Debt would make the total of all such Debt exceed Ninety-Five Percent (95%) of the applicable MRP.

D. The owner of the Property shall at all times maintain the Property as his or her principal place of residence.

E. At no time shall the owner of the Property lease or rent the Property to any person or persons, except on a short-term hardship basis as approved in advance and in writing by the Administrative Agent.

F. No improvements may be made to the Property that would affect its bedroom configuration, and in any event, no improvement made to the Property will be taken into consideration to increase the MRP, except for improvements approved in advance and in writing by the Administrative Agent.

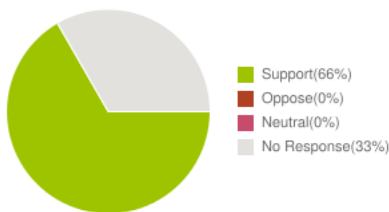
G. Owners may not transfer, add to, subtract from, or modify the ownership interest of the Property, except as outlined above, or as may otherwise be provided by regulation as "exempt transaction", i.e., "...transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor's deed to a class A beneficiary; and the transfer of ownership by court order."

H. The Owner may be responsible to pay all costs associated with the services provided by the Administrative Agent at the time of sale, said costs being regulated by the municipality and/or state.

These are some suggestions. The bill is a good start. It needs stronger teeth. Mahalo for your consideration.

Agenda Item: eComments for AH-31 BILL 103 (2022) BILL 103 (2022), RELATING TO RESIDENTIAL WORKFORCE HOUSING DEED RESTRICTIONS AND RESALE (AH-31)

Overall Sentiment



**Pamela Tumpap**

Location:

Submitted At: 3:40pm 08-18-22

Please see attached written testimony.

**Chris Gebb**

Location:

Submitted At: 2:29pm 08-18-22

Let's reduce opportunity for outside investors to profiteer on our land.

**Guest User**

Location:

Submitted At: 9:03am 08-18-22

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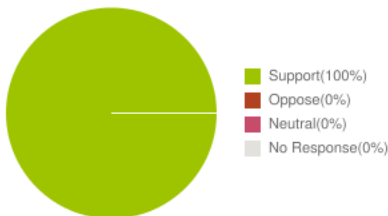
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Mahalo,

David Dorn

Agenda Item: eComments for AH-14(7) Direct Referral COMPREHENSIVE AFFORDABLE HOUSING PLAN: EXPANDING AFFORDABLE HOUSING FUNDING (AH-14(7))

**Overall Sentiment****Guest User**

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Mahalo,

David Dorn





**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**Bill 107**  
**Affordable Sales Price Guidelines**  
**Thursday, August 18, 2022**

Dear Committee Chair Johnson, Committee Vice-Chair Molina, and  
Members of the Affordable Housing Committee,

The Chamber understands this bill (Bill 107 CD1) is essentially requiring the department to create two versions of the affordable sales price guidelines, with one using their standard formula but capping it at 28% of the gross annual income if a developer does not receive direct County subsidies and the second using estimated total housing costs capped at 31% of the gross annual income and including real property taxes, homeowner's insurance, mortgage insurance, and homeowner's association dues if a developer received direct County subsidies from the affordable housing fund.

We find the creation of two lists as suggested problematic, and understand the department is not supportive of two lists either. Therefore we suggest eliminating this.

We have a continuing perception problem. Some believe the development industry is unlike other businesses with when it comes to making a profit to sustain their operation and we can just continue to ask for more and expect prices reduction. All for- and non-profit businesses must make a profit to survive and the difference with non-profit businesses is they put their profits back into their charitable mission. It is imperative this be well understood as we look at crafting new legislation and work with industry experts, including developers, lending institutions, non-profit partners, and all related industries in the initial drafting process to come up with fair and uncomplicated legislation that will expedite the building of affordable housing and rentals in this crisis.

To simply try and lower the sales price for residents and pass fluctuating expenses onto the developers who are already dealing with building costs and supply chain issues that are raising costs, and then further adding taxes, mortgage and homeowners insurances and homeowner's association dues, is unreasonable. We understand it will likely equate to another 13% discount on the house which is unheard of at a time when home building costs are increasing across the board.



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**Bill 107**  
**Thursday, August 18, 2022**  
**Page 2.**

Additionally, we were surprised that suggestion on deferred mortgages from Hawaiian Community Assets, whom the Council commissioned to create the Comprehensive Affordable Housing Plan, were not included. While I am not an expert on deferred mortgages, we feel further discussion with Jeff Gilbreath is warranted as I have heard some say this could be an avenue to help and should be taken into account.

We instead support the inclusion of the amendment by Councilmember Kama for Chair Lee in section 3 (Bill 107 CD1) as this idea demonstrates leadership and creative thinking to address some of our concerns noted above. We feel like this is a great solution that balances the need to reduce costs for residents and not increase costs to home builders, while utilizing funding that has been built up and continues to be increased in the affordable housing fund.

Mahalo for the opportunity to provide testimony.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.